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### **Outsourcing rules of thumb**

More demands. Greater accountability. Fewer resources to get it all done. Sound familiar? Today, federal agencies are in a tough position. Their offices are being downsized and a large portion of their workforce is retiring. Yet these agencies are being asked to accomplish at least the same amount of work, if not more, and to do it more efficiently and effectively.

So how can an agency get it all done? One option is to outsource. (In fact, OMB Circular A-76 provides additional motivation for federal agencies to consider alternative sourcing options.) But this can sometimes be confusing. To simplify and clarify the process, consulting firm Clifton Gunderson LLP provides agencies with some general outsourcing "rules of thumb."

**1 Go back to the basics of planning.** Agencies should conduct periodic business process reviews to determine who's responsible for what and how effectively and efficiently the work is performed. This is important as factors such as technology, management and the ebb and flow of the workplace change often.

**2 Review your agency's mission and available resources, including budget,**

## **Boosting the bottom-line: A case study of strategic alliances**

Strategic partnerships are often the secret to success in the procurement industry. They can be made between procurement offices and their vendors, a contract management office, or an organization that develops and manages contracts. The goal with such partnerships is to enable the procurement office to secure the best contract and service for their clients, saving them time, money and supporting their mission and strategic goals.

FedSource has successfully put strategic partnerships to work for our federal procurement/contract management customers. From the partnership among our four offices to the partnership with our vendors, we have created a synergy and collaboration to meet our customers' goals. But we've also learned some important lessons in getting where we are that we'd like to share. Specifically, we've provided some easy steps you can follow to ensure you're getting the most out of your contracts.

### **The benefits**

We've seen how successful partnerships provide benefits on a variety of levels – from writing the initial statement of work through contract management:

- **Better quality contract**—The old adage of "two heads are better than one" proves itself true. Procurement officers who work with partners get a more innovative, detailed, understandable contract that creates a win-win relationship between the government and industry.
- **Better pricing**—When a partnership designs a contract, all work is pulled together under one umbrella. That contract is generally able to save customers both time and money because volume discounts can be applied, and it only needs to be written once, not several times for each participating customer agency.



- **Better administration**—There are several ways to provide added value for your customers. For example, FedSource assigns a team of contracting officer technical representatives (COTRs) with one prime COTR in charge of each contract. The COTRs work closely with the vendors and customers so there's constant monitoring and evaluation to ensure the contract is adhered to consistently and fairly. We also provide management tools to help our customers ensure successful performance and adherence to contract terms and conditions.
- **Evaluation of offers**—By teaming up with an administrative network, procurement officers can be assured of a comprehensive review and evaluation of offers. With their collective knowledge, they can get a better perspective from many different angles to evaluate proposals.

### **Overcoming the challenges**

Of course, building a strategic partnership doesn't come without its challenges. For example, when FedSource began looking for potential vendor partners we quickly learned the importance of knowing each industry we dealt with from the inside out. Once we understood the ground rules and nuances of each industry, we could then get a clear direction of how our contracts should be developed.

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**workforce, management and technology.** Then determine if and how the various mission-related activities/responsibilities will be completed using those resources.

**3 Get measurements.** Find out how much it typically takes to get particular tasks done both in the public and private sector, and use the results as a benchmark. Does your agency's performance measure up?

**4 Conduct a feasibility study.** Who else provides the service you're reviewing in-house? How much does it cost, and what's the quality?

**5 Keep your options open.** There are a variety of ways to ensure a task is handled efficiently and effectively, whether it's making tweaks to a current in-house function or it's an "alternative source" option, such as consolidating, outsourcing, eliminating redundant/inefficient functions, or spinning off a function as an Employee Stock Ownership Plan (ESOP).

**6 Incorporate the most appropriate option(s) into your agency's management/budget planning.** Be sure to include your backup documents, such as the benchmark reports and feasibility studies, to support your decisions.

**7 Implement your plan.** This is a big step for an agency, because it will most likely require a change in how you manage your "business." You'll need to lead this effort and provide training within the organization to ensure everyone embraces the change.

These are a few guidelines to follow, but if you're still unsure or need assistance, there are lots of helping hands available. For example, FedSource can link your agency with a collaborative partner. These companies/organizations can assist you in any or all of the guidelines mentioned above, including obtaining the necessary information and reports, helping with the overall planning, and then implementing the solution. For more information, visit FedSource's Web site at [www.fedsource.gov](http://www.fedsource.gov).

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With these challenges in mind, there are a couple of questions we ask when scouting for potential partners, whether they are vendor/partner relationships or strategic business affiliations.

- *Are they in a competitive environment?*
- *What are they doing that's innovative or creative?*
- *What's their customer base like?*
- *What do their references say?*
- *Are they ethical/legal?*

### **Communication is key to successful Equal Employment Opportunity (EEO) implementation**

In government, you've probably come to expect a variety of ever-changing rules and regulations. They seem to come down on a regular basis, and managers are expected to implement them on the day-to-day level. This can be a daunting task, particularly with respect to the numerous Equal Employment Opportunity (EEO) initiatives. But by encouraging communication across various disciplines within your organization, you can successfully implement these initiatives with the added benefit of operating more efficiently and effectively.

"Many of our EEO initiatives require communication across agency divisions and skill disciplines to successfully integrate them into an agency's

day-to-day operations," says Tama Zorn, Executive Vice President of DSZ, Inc., a consulting firm in the EEO arena. "It's the federal manager's responsibility to make sure that happens. Overall, it can mean a significant reduction in EEO complaints, resulting in a more productive and better managed workplace."

For example, relatively recent amendments to Section 508 of the Rehabilitation Act require federal agencies to make their electronic and information technology

### **Getting started**

There are a variety of resources available to those organizations interested in developing a strategic alliance. For example, there are some government Web sites that can help identify some potential good fits, such as [www.fedsource.gov](http://www.fedsource.gov) or [www.treasury.gov/procurement](http://www.treasury.gov/procurement). In addition, many managers rely on "word-of-mouth" recommendations from other industry representatives or colleagues. By networking, participating in conferences, and attending speakers' panels, people are able to share their experiences and pass along their pearls of wisdom.



accessible to people with disabilities. While an agency's EEO office has the skills to monitor regulations and understand how they should be applied, it's the IT department's technology expertise and the procurement office's contracting savvy that make it happen. By working together, federal managers can ensure the job is done right and done efficiently.

To help federal managers make sure this communication is taking place, EEO service providers, such as DSZ, offer training programs that provide the tools they'll need to facilitate that process and "tie it all together." These programs, as well as EEO-specific training programs, emphasize process excellence (i.e., how to make the regulatory process work well for your organization) and goal achievement.

For more information on available training programs or for a free consultation, contact FedSource.

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